

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 5480-AG07-1219-309  
5990-AG07-1219-310  
5993-AG07-1219-311  
6009-AG07-1219-312  
6019-AG07-1219-313  
6020-AG07-1219-314  
6047-AG07-1219-315  
6144-AG07-1219-316  
6146-AG07-1219-317

IN THE MATTER OF: )  
 )  
Marcus Schrenker )  
11206 Fall Creek Road )  
Indianapolis, Indiana 46256 )  
 )  
Indiana Resident )  
Producer License No.: 2417160 )  
 )  
Heritage Wealth Management, Inc. )  
11206 Fall Creek Road )  
Indianapolis, Indiana 46256 )  
 )  
Indiana Resident )  
Producer License No.: 33579 )  
 )  
Types of Agency Action: Enforcement )

**FILED**

JAN 23 2009

STATE OF INDIANA  
DEPT. OF INSURANCE

INTERIM ORDER

Doug Webber, as the administrative law judge and ultimate authority for the Indiana Department of Insurance (hereafter referred to as the "Department") in the above referenced matter, hereby permanently revokes the resident Indiana insurance producer licenses of Respondents Marcus Schrenker, number 2417160, and Heritage Wealth Management, Inc., number 33579, (hereinafter referred to as "Respondents") based on the following:

WHEREAS, the Indiana Department of Insurance, through its counsel Nikolas P. Mann, filed a statement of charges against Respondents on January 4, 2008 alleging multiple

counts of misrepresentation of annuity products, misappropriation of clients' funds, and forgery; and

WHEREAS, the evidence supports that complainant William Gary Hess's (hereinafter referred to as "Mr. Hess") annuity funds in the amount of \$53,000.00 were missing for nearly two and a half years because of Respondents' misappropriation; and

WHEREAS, the evidence supports that, through Respondents, Mr. Hess applied for annuities in Georgia, not Kentucky, which is contrary to representations made by Respondents on the annuity applications, and

WHEREAS, the evidence supports that Respondents forged several signatures on annuity applications of Mr. Hess; and

WHEREAS, the evidence supports that Respondents misrepresented annuity premium amounts on Mr. Hess's annuities; and

WHEREAS, the evidence supports that complainant Rebecca Pracht (hereinafter referred to as "Ms. Pracht") was unaware that Respondents had placed \$10,000.00 of Ms. Pracht's IRA funds in annuities; and

WHEREAS, the evidence supports that Respondents fabricated documentation and furnished the same to the Department in response to Ms. Pracht's complaint in an attempt to convince the Department that Respondents had fully advised Ms. Pracht of the free look period of her annuity contract; and

WHEREAS, the evidence supports that Respondents failed to inform complainant Harold Kinney (hereinafter referred to as "Mr. Kinney") that he would incur substantial surrender fees if Mr. Kinney replaced one annuity with another annuity; and

WHEREAS, the evidence supports that Mr. Kinney signed his annuity contracts in

Georgia, not Kentucky, which is contrary to representations made by Respondents on the annuity applications, and

WHEREAS, the evidence supports that money from Mr. Kinney's annuity funds in the amount of \$120,237.00 were missing for nearly two years because of Respondents' misappropriation; and

WHEREAS, the evidence supports that Respondents failed to inform complainant David Smith (hereinafter referred to as "Mr. Smith") that he would incur substantial surrender fees if Mr. Smith withdrew more than the maximum 10% amount from his annuities; and

WHEREAS, the evidence supports that Respondents advised Mr. Smith to withdraw more than the maximum 10% amount causing Mr. Smith to incur substantial surrender fees; and

WHEREAS, the evidence supports that Respondents fabricated emails which were furnished to the Department as attachments to Respondents' response to Mr. Smith's complaint; and

WHEREAS, the evidence supports that Respondents never informed complainant Mike Kinney (hereinafter referred to as "Mike Kinney") that he would incur substantial surrender fees if Mike Kinney replaced one annuity with another annuity; and

WHEREAS, the evidence supports that as a result of Respondents' recommendation, Mike Kinney incurred nearly \$40,000.00 in surrender charges when Respondents' replaced Mike Kinney's annuity with new annuities; and

WHEREAS, the evidence supports that money from Mike Kinney's and his wife's annuity funds in the amount of \$44,000.00 were missing for some time because of

Respondents' misappropriation; and

WHEREAS, the evidence supports that Respondents failed to inform Mike Kinney that the life insurance products sold to him required a combined annual premium in the amount of \$150,000.00 resulting the in lapse of two multimillion dollar life insurance policies; and

WHEREAS, the evidence supports that Mike Kinney signed life insurance applications in Georgia, not Indiana which is contrary to representations made by Respondents on the annuity applications, and

WHEREAS, the evidence supports that complainant Thomas Coleman Reese (hereinafter referred to as "Mr. Reese") signed annuity applications in Georgia, not Kentucky or Illinois, which is contrary to representations made by Respondents on the annuity applications, and

WHEREAS, the evidence supports that money from Mr. Reese's annuity funds in the amount of \$61,000.00 was missing for nearly eighteen months because of Respondents' conduct; and

WHEREAS, the evidence supports that Mr. Reese incurred unnecessary tax liability because of Respondents' misappropriation; and

WHEREAS, the evidence supports that Respondents forged complainants Joe and Pamela Mazzone's (hereinafter referred to as the "Mazzones") initials on various disclosure forms and annuity documentation, and

WHEREAS, the evidence supports that Respondents failed to inform the Mazzones that substantial surrender penalties would result if they replaced annuities with new annuities; and

WHEREAS, the evidence supports that Respondents were terminated for cause by National Western Life Insurance Company (hereinafter referred to as "NWL") for violating various Indiana statutes and regulations and NWL rules; and

WHEREAS, the evidence supports that Respondents engaged in untrustworthy, financially irresponsible, and incompetent behavior, and

WHEREAS, the evidence supports that Respondents misappropriated clients' funds on numerous occasions; and

WHEREAS, the evidence supports that Respondents misrepresented details of annuity applications, the terms of annuity contracts and the locations of application; and

WHEREAS, the evidence supports that Respondents forged clients' initials or signatures on various insurance documents; and

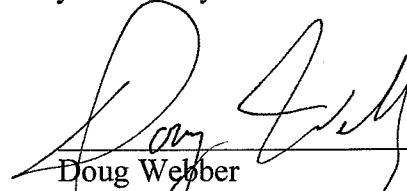
WHEREAS, the commissioner may permanently revoke an insurance producer's license for engaging in behavior which is untrustworthy, financially irresponsible or incompetent, or for misappropriating funds, or for forging another's name on an application of insurance or other insurance document pursuant to Indiana Code § 27-1-15.6-12; and

WHEREAS, the ultimate authority ordered at the conclusion of the hearing on January 22, 2009 that Respondents' licenses be permanently revoked effective January 22, 2009.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the designated ultimate authority:

1. Respondents' license numbers 2417160 and 33579 are hereby Permanently Revoked as of January 22, 2009.

ALL OF WHICH IS ORDERED this 23<sup>rd</sup> day of January 2009.



Doug Webber  
Indiana Department of Insurance

Distribution:

Nick Mann, Attorney  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Marcus Schrenker  
Heritage Wealth Management, Inc.  
11206 Fall Creek Road  
Indianapolis, Indiana 46256

Marcus Schrenker  
12971 Rocky Pointe Road  
McCordsville, IN 46055